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**FISCAL IMPACT STATEMENT**

**LS 6345**

**BILL NUMBER:** HB 1520

**NOTE PREPARED:** Dec 7, 2010

**BILL AMENDED:**

**SUBJECT:** Donate Income Tax Refund to Public Schools.

**FIRST AUTHOR:** Rep. VanDenburgh

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill adds public school technology funding as a charitable purpose to which an individual may choose to give all or part of the individual's income tax refund.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *Department of State Revenue (DOR):* The DOR will incur additional expenses to revise tax forms, instructions, and computer programs to reflect the tax refund checkoff for school technology funds. The DOR's current level of resources should be sufficient to implement this change.

**Explanation of State Revenues:** *Summary* - The bill establishes a checkoff for income tax refunds to be designated to school technology funds in school corporations. The number of taxpayers with refunds that may select the school technology fund checkoff and the amounts such taxpayers may contribute is indeterminable. However, it could potentially reduce the amount that would otherwise be designated by taxpayers to the Indiana Nongame and Endangered Wildlife Fund. This is the only income tax refund checkoff that exists under current statute. In tax year 2008, the Nongame and Endangered Wildlife Fund collected \$501,031 from 26,716 tax returns. This is an average of \$18.75 per filer.

**Background Information** - Since tax year 2004, the checkoff for the Nongame and Endangered Wildlife Fund has generated the annual activity summarized in the table below.

| <b>Tax Year</b> | <b>Filers Designating Refunds</b> | <b>Total Refunds Designated</b> | <b>Average Refund Amount Designated</b> |
|-----------------|-----------------------------------|---------------------------------|---|
| 2004            | 29,487                            | \$463,257                       | \$15.71                                 |
| 2005            | 28,377                            | \$414,475                       | \$14.61                                 |
| 2006            | 29,963                            | \$372,398                       | \$12.43                                 |
| 2007            | 26,760                            | \$377,096                       | \$14.09                                 |
| 2008            | 26,716                            | \$501,031                       | \$18.75                                 |

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** School corporations will benefit from refund amounts designated for the school technology funds. However, the number of taxpayers with refunds that may select the school technology fund checkoff and the amounts such taxpayers may contribute is indeterminable.

**State Agencies Affected:** DOR.

**Local Agencies Affected:** School corporations.

**Information Sources:** OFMA Income Tax Databases, 2004 - 2008.

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